CUSTOMER RELATIONSHIP MANAGEMENT

CRM . . . It's about the customer!

Defense Logistics Agency

Market and Business Opportunity Survey

Ms. Lynne Allen

August 23, 2004

Agenda

- **Overview**
- **Survey Results**
- **Evaluation**
- **Next Steps**

What is a Market and Business Opportunity Survey?

- **The Survey is a tool that J-4/CSO *used to:***
  - Provide a high level, forward-looking view of potential business opportunities for DLA.
  - Survey Customer-facing DLA personnel for their market and business opportunity ideas.
  - Identify near term actionable opportunities that will have a positive financial impact on DLA.

- **In addition to the survey, J-4/CSO produced a market survey report that:**
  - Reviewed Warfighter trends to identify future areas of high level opportunity for DLA.
  - Researched DLA transformation initiatives leading to new internal capabilities thus identifying high-level opportunities that could leverage such capabilities.

Timeline

May 2004	**Survey development and distribution**
May – June 2004	**Survey customer-facing personnel**
June 2004	**Perform initial feasibility evaluation**
June – July 2004	**Assign leads to feasible opportunities**
July 2004	**Evaluate & recommend opportunity next steps**
August 2004	**Communicate results at CSR conference**
Varies	**Execute specific opportunities**

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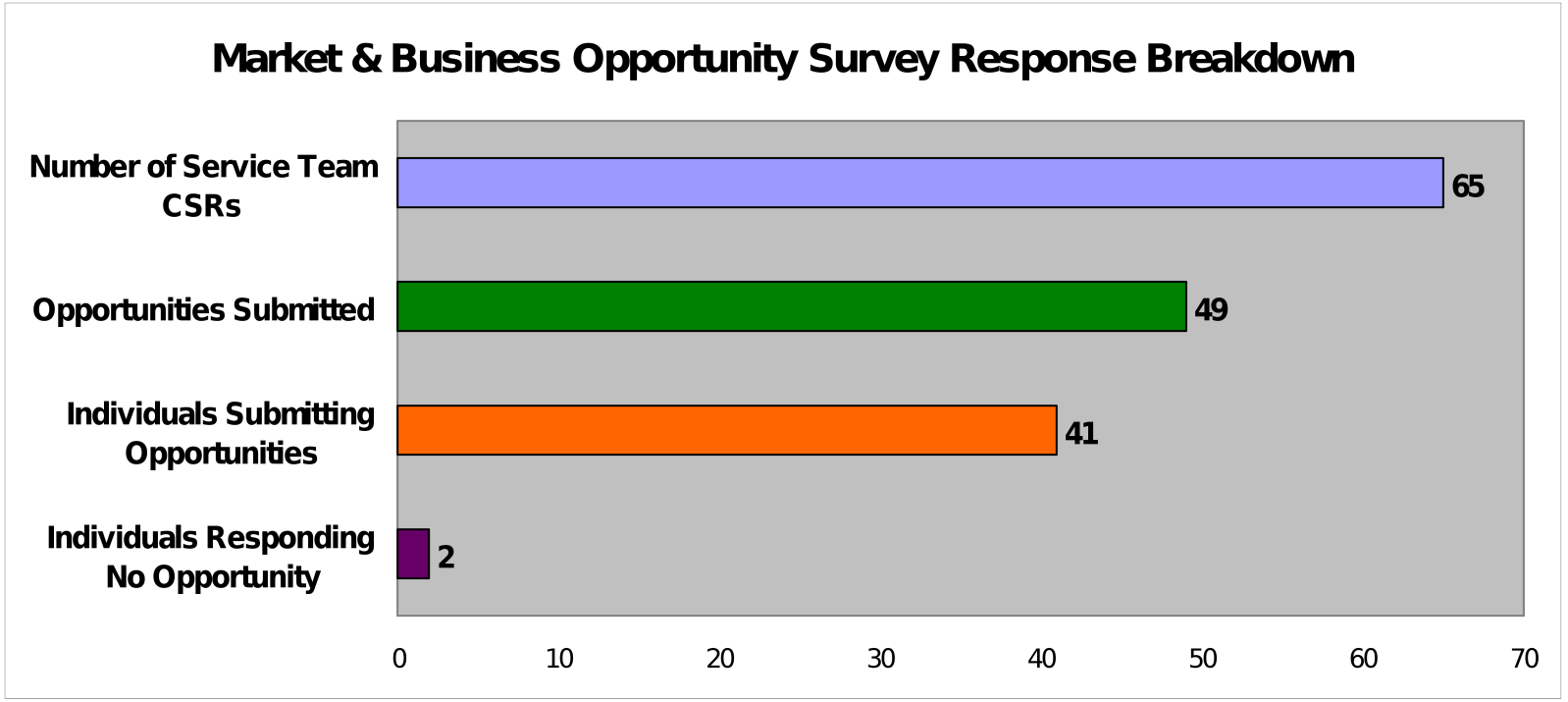
Market & Business Opportunity Survey Response



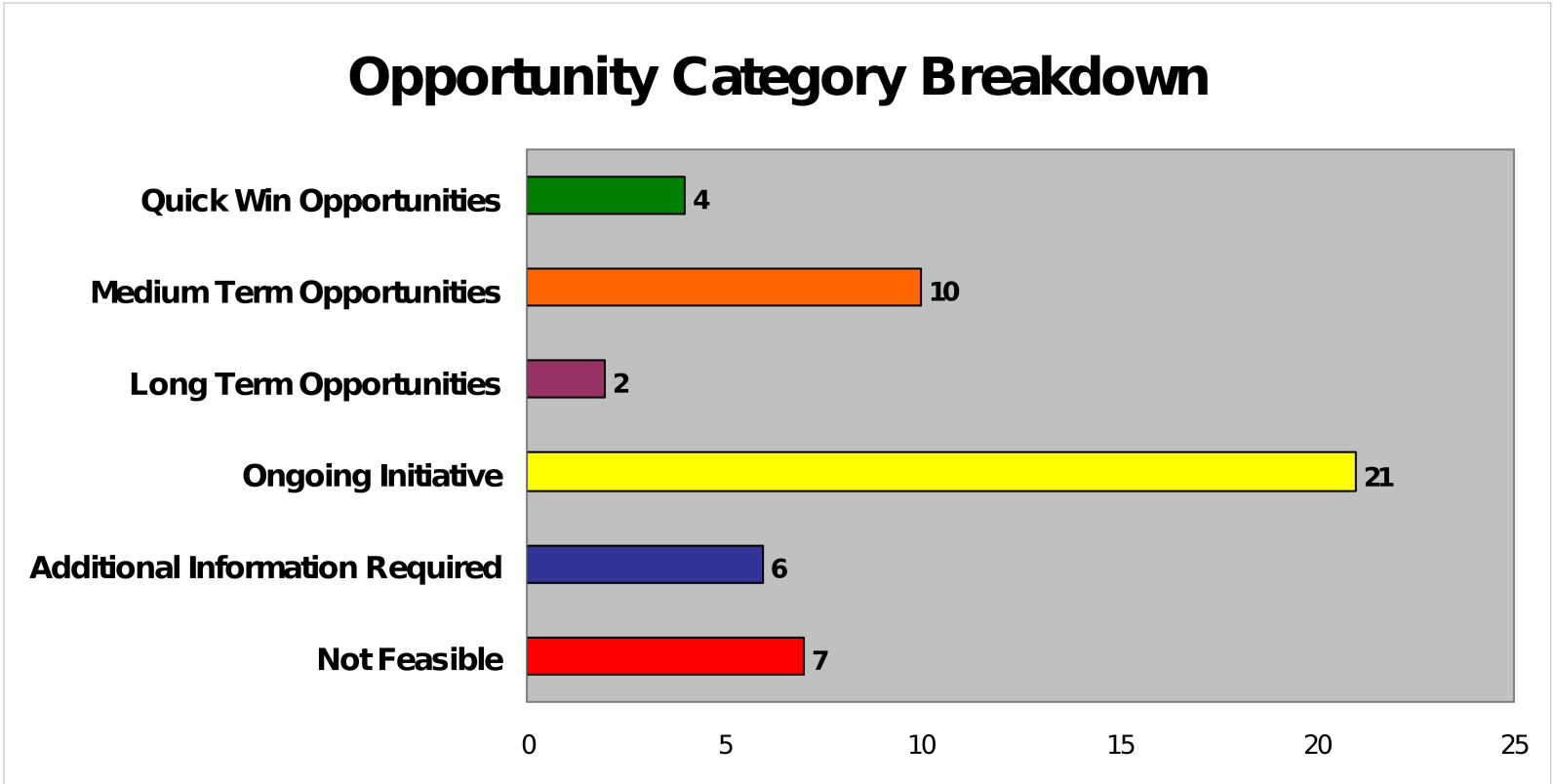
Initial Response Evaluation Process

- **June 18, 2004 – CSO meeting with NAMs.**
- **Meeting participants included:**
  - COL Michael Van House, Air Force NAM
  - COL William Taylor, Army NAM
  - Mr. Edward Nelson, USMC NAM
  - Mr. Selden von der Hoff, FMS NAM
  - Ms. Lynne Allen, Navy CAM
  - Ms. Carolyn Martin, J-421
  - Ms. Marjorie Taglieri, BearingPoint, Inc.
  - Mr. Sean Huston, Inforte Corp
- **During the meeting each opportunity was discussed, evaluated, categorized and recommendations were made as to next steps.**
- **June 25, 2004 - Recommendations reviewed by CSO.**
- **July 7, 2004 - CSO recommendations presented to CSO leads for further action.**

Initial Response Categorization

- **Opportunities grouped into one of the following categories:**
  - Quick Win Opportunity
    - An opportunity that has a good chance to yield increased customer readiness and/or have a positive financial impact on DLA within six months of agreement to proceed.
  - Medium Term Opportunity
    - An opportunity that has the potential to yield increased customer readiness and/or have a positive financial impact on DLA within 6 to 12 months of agreement to proceed.
  - Long Term Opportunity
    - An opportunity that will take more than 12 months from agreement to proceed to yield increased customer readiness and/or have positive financial impact on DLA.
  - Ongoing Initiative
    - The opportunity is already being acted on by DLA.
  - Additional Information Required
    - Additional information regarding the opportunity is required to fully understand the potential of the opportunity.
  - Not Feasible
    - The opportunity was deemed as not feasible for DLA at this time.

Response Category Breakdown



Quick Win Opportunity
(< 6 months)

- **Customer Account Proactive Interaction Plan – NASA Pursuit**
- **MRO Program Expansion (DSCP's Maintenance, Repair and Operations Materials Program)**
- **AMS optical memory Card Return Rate Improvement Initiative**
- **DDC Distribution Depot partner with Customer Pay Vendor**

Medium Win Opportunity (6 – 12 months)

- Customer Account Proactive Interaction Plan
- Corporate Contract Material Visibility
- DESC Management of Tactical Equipment
- Standardized Fuels Training
- USA National Guard/Reserve Partnership
- Non-DoD Business Opportunities (DoJ, DoT, Coast Guard, Job Corps, USPS, Etc.)
- Package Branding (Unique Identifier)
- DSCs review policy/procedures for Milstrip Requisitions designated as stock replenishment
- DLA Customer Price Break
- Customer Located Credit Card Buyer

Long Term Opportunity
(> 12 months)

- **Dining Facility Operations**
- **Corporate Image Enhancement through Branded Corporate Apparel and Consolidate Marketing Material / Memorabilia**

Ongoing Initiatives

- Joint Supply Training and Education
- Customer Account Manager for Army Program Executive Offices
- Corporate Contract Performance Review
- Engagement in Army Aviation PBL/Partnering Initiatives
- Repair Parts Kits for Ground Equipment
- Performance Based Logistics
- Kitting for Army Aviation
- Access the DoD E-Mall for FMS customers
- MRO (material and services to base organizations and tenants)

Ongoing Initiatives (continued)

- Metals Prime Vendor
- Foreign Military Sales Prime Vendor
- Assuring Supply Availability
- Expansion of “Lean Kitting Concepts” to Depot Partnerships Initiatives
- Potential use and disposition of in-country hazardous / environmental sensitive materials
- Kitting Process
- Inventory Control Points increase stocked items
- Tailored support packages for operational Army customers

Ongoing Initiatives (continued)

- **Reconstitution / Reset / Demobilization Kits**
- **DLA Integrated Prime Vendor Program or Tobyhanna Army Depot**
- **DLA PLB Contracts**
- **Customer Expeditor Team**

Additional Information Required

- Retail / Tactical IPV
- Customer Satisfaction
- Parts Backfill
- DoD EMALL
- Prime Vendor Buy Around
- Develop database that contains SPR transactions (DY(x)) that violate at the DSCs

Not Feasible
(at this time)

- **Improved WSSM / WSPOC Support on Level C Weapons Systems**
- **DLA Customer Service Expansion**
- **Class VIII Support**
- **Race Team**
- **Vending Service**
- **Weapon Systems Information in an existing DLIS publication, such as FEDLOG**
- **Procurement History in an existing DLIS publication, such as FEDLOG**

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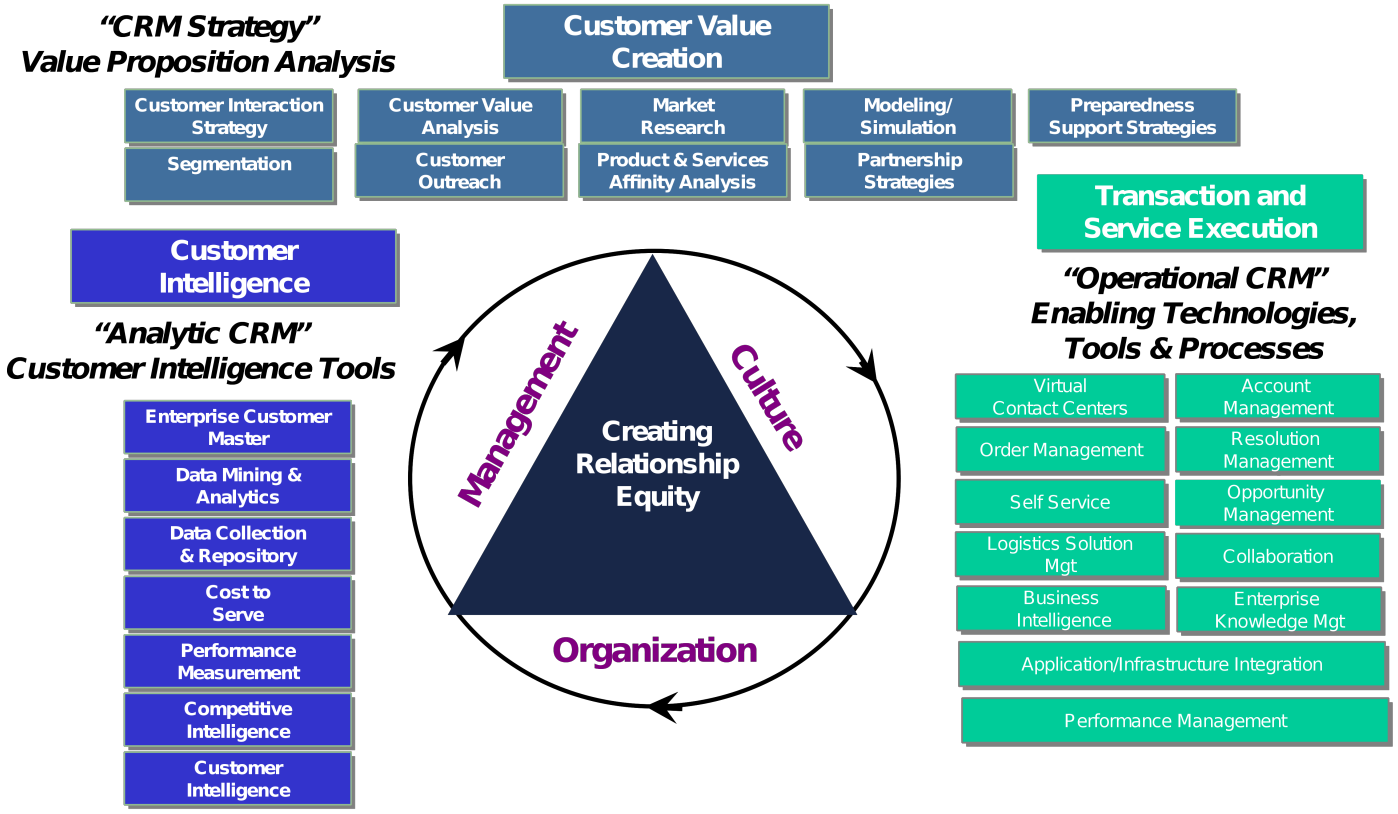
Evaluation Process

- **Step 1: identify a CSO or J-42 lead / owner based on the DLA CRM Framework.**



- **Each lead / owner identified the appropriate J-codes, Field Activities, customer, or other contacts for collaboration.**

Evaluation Process (continued)

- **Step 2: Conduct Qualitative Assessment**
  - Impact on customer readiness
  - DLA's ability to execute
  - Future growth opportunities
  - Alignment of opportunity to DLA and/or customer mission
  - Political, legal, environmental or social implications of the opportunity
  - "Other"
- **Step 3: Conduct Quantitative Assessment**
  - Revenues (Product or Service)
  - Costs (Capital, Purchasing, Execution, Logistics, Staffing, Marketing, Sales, Travel, other)

Evaluation Process (continued)

- **Step 4: Make Recommendation**
  - Identify Assumptions
    - Staffing availability and/or capabilities
    - Competitor or customer assumptions
    - Product or service demand assumptions
    - Cost, revenue or volume assumptions
  - Recommend Next Steps
    - Proceed to execute (if part of an ongoing program or within certain budget limits)
    - Develop a business case
    - No action

Current Status

- **The evaluation process was completed in approximately two weeks**
- **Opportunities are being taken forward by CSO and J-42, working with the appropriate field activities and other J-codes**

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Next Steps

- **DLA would benefit from an ongoing opportunity management process.**
  - Include coordination among organizations and programs
  - Consider overall leadership, responsibility, incentives, rewards, metrics and expected results
  - Automated tools would support the process